

AMENDED IN ASSEMBLY JULY 7, 2005

AMENDED IN SENATE MAY 27, 2005

AMENDED IN SENATE APRIL 25, 2005

AMENDED IN SENATE APRIL 18, 2005

SENATE BILL

No. 954

Introduced by Senators Figueroa and Dutton

February 22, 2005

An act to add Section 12104 to the Public Contract Code, relating to public contracts, *and declaring the urgency thereof, to take effect immediately.*

LEGISLATIVE COUNSEL'S DIGEST

SB 954, as amended, Figueroa. Information technology goods and services: procurement.

Existing law sets forth the requirements for the acquisition of information technology goods and services by the state, and requires all contracts for the acquisition of those goods and services to be made by or under the supervision of the Department of General Services, with expenditures in this regard subject to the review and approval of the Department of Finance.

This bill makes certain findings regarding the manner in which state agencies procure information technology goods and services. This bill would require the Department of General Services to conform with specified practices and guidelines in the procurement of information technology goods and services.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: ~~majority~~^{2/3}. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the
2 following:
3 (a) The State of California depends on information technology
4 (IT) goods and services to accomplish its legally mandated core
5 business functions and public services and it is in the best interest
6 of the state to procure these services according to best practices,
7 thereby rationalizing the process and providing a consistent basis
8 for communication and decisionmaking.
9 (b) IT improves the functioning of government by providing
10 increased public access and enhanced customer service.
11 (c) Conducting business with technology industry vendors in a
12 professional manner with an attitude of cooperative, direct, and
13 straightforward communication serves the best interests of the
14 State of California and its citizens for the following reasons:
15 (1) Vendors can better respond to the state if published
16 business and technical requirements are clear.
17 (2) An efficient and effective procurement process saves the
18 state valuable dollars and time, mitigating overall project risk
19 long term.
20 (d) IT goods and services are complex and multidimensional.
21 The implementation of new technology invariably impacts
22 existing technology, dependent and independent IT systems,
23 governmental business processes, operational expectations and
24 outcomes, and future technical and operations choices for the
25 functions of a governmental entity. Purchases, therefore, should
26 be considered in the appropriate context with a total cost of
27 ownership for the state.
28 (e) New information systems that require IT goods and
29 services for their implementation should be conceived in terms of
30 a “solution.” Thinking and planning according to an IT
31 “solution” mindset appropriately considers the complete set of IT
32 goods and services required to complete an objective or set of
33 objectives in the context of the actual business needs of the
34 purchasing state agency. This also provides a means with which
35 to consider the overall purchasing decision and weigh the

benefits of different IT options according to the total cost of ownership for the state.

SEC. 2. Beginning January 1, 2007, for ~~IT~~ *information technology (IT)* purchases for which the Department of General Services prepares the request for proposal (RFP), the department shall complete the following IT procurement checklist prior to releasing the RFP:

(a) Identify the legislative mandate or state business, or operational reason for the IT procurement.

(b) Identify the existing business processes currently used to accomplish the legislative mandate, state business, or operational reason.

(c) Identify the most important priorities for the IT project to accomplish.

(d) Identify what current technology is being used and how it is being used.

(e) If the data used in a proposed IT system comes from multiple sources, identify the existing business processes or technical systems that produce and maintain the source data to ensure interoperability.

(f) Identify whether the proposed IT system is already being used by the state. If so, determine what can be learned from the design and implementation of the similar system.

(g) Identify how the new IT project leverages existing technology investments while accomplishing its business objectives.

~~SEC. 4.—~~

SEC. 3. Section 12104 is added to the Public Contract Code, to read:

12104. The Department of General Services shall, when procuring ~~IT~~ *information technology (IT)*, conform to the “Information Technology Procurement Guidelines.” The guidelines are as follows:

(a) The department shall communicate in writing all rules governing a specific IT procurement process and all project-related business and technical requirements impacting the scoring and evaluation of that specific procurement. The rules and requirements shall be included in the published request for proposal (RFP). Any changes shall be communicated to all bidding vendors and shall be posted in a public location. No

1 requirements other than those provided by law outside of the
2 published RFP and posted ~~addendums~~ *addenda* shall be used by
3 the department to score bids.

4 (b) IT solutions shall be procured according to reasonable
5 project phases.

6 (c) Incumbent vendors shall not be precluded from delivering
7 future project implementation phases of large multiphased
8 information technology projects provided that the vendor has
9 successfully delivered technology to the state on past project
10 phases, the delivered technology works according to desired
11 objectives, and the technology was delivered on time and within
12 the given budget.

13 (d) Information technology procurements of six million dollars
14 (\$6,000,000) or less shall be conducted according to
15 deliverable-based contracts that align vendor payments with
16 specific project deliverables.

17 (e) The requirements of this section shall be in addition to any
18 other requirement provided by law.

19 *SEC. 4. This act is an urgency statute necessary for the*
20 *immediate preservation of the public peace, health, or safety*
21 *within the meaning of Article IV of the Constitution and shall go*
22 *into immediate effect. The facts constituting the necessity are:*

23 *In order to protect the integrity of California's information*
24 *technology procurement practices, and to ensure that the state is*
25 *not wasting resources on poorly designed technology investments*
26 *that may fail to perform in critical state health and safety*
27 *programs, it is necessary that this act take effect immediately.*